



January 17, 2013

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EMERYVILLE, Calif., Jan. 17, 2013 /PRNewswire/ -- National Mortgage Insurance Corporation ("National MI"), a new private mortgage insurer, has been approved as an eligible mortgage insurer by Fannie Mae and Freddie Mac, subject to maintaining certain conditions. National MI intends to offer mortgage insurance on a nationwide basis and provide an innovative approach to risk protection.

Along with their approval, Fannie Mae and Freddie Mac have indicated that they will be ready to accept loans insured by National MI in the second quarter of 2013. Both Government Sponsored Enterprises (GSEs) will be communicating directly to lenders regarding the timing and process.

"These approvals by Fannie Mae and Freddie Mac mark a huge milestone for National MI," said Bradley Shuster, president and CEO of National MI. "I thank both Enterprises for their prompt actions and for recognizing the importance of a new mortgage insurance entrant at this critical time for the housing industry. National MI now officially embarks on the important business of providing mortgage insurance on mortgages to qualified borrowers."

National MI's entry injects over \$500 million of private capital into the market, and provides essential borrowing capacity to homebuyers who qualify for a mortgage, but may not possess a large down payment for a home, Shuster added.

National MI was founded by Shuster and Jay Sherwood, executive vice president and CFO of the company. In 2012, NMI Holdings, Inc. raised \$550 million in private capital for the new venture. The company has applied for licensing in all 50 states and the District of Columbia, and recently received approvals from several states, including California, New York, and Texas. National MI is now licensed in 24 states as well as the District of Columbia. National MI anticipates it will receive the remaining states' approvals over the next several months.

"National MI's approval to provide mortgage insurance on loans delivered to Fannie Mae will provide greater capacity in the market", said Rob Schaefer, Fannie Mae vice president of Credit Enhancement Strategy and Management. "We appreciate National MI's ongoing work to meet our eligibility requirements and look forward to working with them as they serve Fannie Mae and our lender partners."

"Freddie Mac is pleased that National MI is able to provide Freddie Mac's Sellers with additional mortgage insurance capacity by bringing the industry new capital at a level that is consistent with our safety and soundness principles," said Gina Healy, vice president of Mortgage Insurance and Special Assets Workout, Freddie Mac. "Today's announcement is a fresh sign that private capital is returning to our country's recovering mortgage market."

The charters of the GSEs require additional credit support for conventional loans with loan to value ratios in excess of 80 percent. This credit support most often takes the form of private mortgage insurance which pays an insurance benefit to the lender, or investor in a mortgage loan, under certain circumstances when a loan defaults. The mortgage insurance provider is usually chosen by the mortgage lender.

About National Mortgage Insurance

National Mortgage Insurance Corporation ("National MI"), is a new mortgage insurance company with access to over \$500 million of private, unencumbered capital for the mortgage insurance sector. Headquartered in Emeryville, California, in the San Francisco Bay Area, National MI is led by an experienced management team with strong mortgage, financial services and start-up experience. To learn more about National Mortgage Insurance, visit www.nationalmi.com

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